



Citation for published version:

Bal, P 2015, Sustainable careers: enabling older workers to continue working through individualized work arrangements. in A De Vos & B Van der Heijden (eds), Handbook of Research on Sustainable Careers . Edward Elgar Publishing Ltd, Cheltenham, pp. 304-318.

Publication date:
2015

Document Version
Early version, also known as pre-print

[Link to publication](#)

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Chapter 11: Sustainable Careers: Enabling Older Workers to Continue Working through Individualized Work Arrangements

P. Matthijs Bal, University of Bath, Bath, United Kingdom

Abstract

The current chapter explores the role of individualization in careers, and especially with regards to older workers. The central aim of this chapter is to elucidate the role of individualization in the establishment of careers, as well as how organizations treat their workers, and employ HRM systems and practices in order to retain and motivate workers of all ages. Based on the argument that the older workers become, the more heterogeneous they become in terms of career preferences, I propose that individualization of career arrangements will be increasingly important in the sustainability of contemporary careers. An individualized approach, such as through the lens of idiosyncratic deals (or I-deals), can facilitate older workers to retain work motivation and performance. However, the extent to which I-deals will benefit motivation and performance is dependent upon a range of factors, including supportive climate, psychological processes that occur within the worker, and fairness in the distribution of negotiated deals across the organization.

Introduction

Sustainability of contemporary careers over the life course implies a different perspective on how employees currently develop their careers. While sustainability can be defined as a long-term oriented approach of designing policies and practices regarding careers, it is inherent that governments, organizations and employees rethink the dominant approach towards the establishment and development of contemporary careers. There are two trends that have caused the need for a different approach: the aging of the workforce and increased life expectancy of people nowadays.

The rapid aging of the workforce throughout the Western world and parts of Asia, including Japan and China, poses many challenges on contemporary organizations (European Commission, 2010; Wang and Shultz, 2010). The Babyboom generation, consisting of workers born between 1945 and 1965, constitutes a large part of the current workforce. Due to decreased fertility rates, there are fewer younger workers entering the labor market, as a consequence of which the percentage of older workers is rapidly increasing (Truxillo and Fraccaroli, 2013). Moreover, life expectancies are increasing, which causes current retirement ages to become outdated when it comes to the affordability of pensions.

When people retire at the age of 65, they may live for another 25-30 years, which not only means that society has to pay for 25 years of pension, but this also leads to an increasing older generation who is not active on the labor market, and hence, do not actively contribute to society anymore if they do not engage in volunteer work (see Chapter 21 by Fleisher and Khapova). Hence, because people tend to live longer, governments are increasing the retirement age, through which careers are automatically extended; a person who graduates at 25 can nowadays expect to work for 45-50 years.

These extended periods that people have to work demands for a different approach towards the development of careers: the assumption that people can have a career within a single domain or occupation becomes obsolete rapidly. In contrast, there are few occupations that can be fulfilled for 45-50 years while maintaining high intrinsic motivation. Even though there may be people who in certain situations can work in a single occupation for the entire career without losing motivation in the work, this principle cannot be maintained as guiding career development paradigms for the future. Hence, a new paradigm is needed to facilitate and form contemporary careers that may last for these 50 years.

It is therefore advisable to distinguish two parts of the career: on the one hand, a person can work within an occupation or an organization, and build a career within that occupation. In this sense, career refers to the development within an occupation, such as a PhD-student who becomes assistant professor, associate and subsequently full professor. In this meaning career refers to the development of a person within an occupation. On the other hand, career refers to the total period a person spends from graduating from education until full retirement from the labor force. In this meaning, career entails all the decisions a person makes during the working life, for instance to choose a certain occupation, to go back to school, and retrain, to engage in volunteer work or eldercare. While the former used to be equated to the latter, the extended period people now face as constituting their working lives implies that the former should be separated from the latter perspective, and regarded as two distinct features of contemporary careers.

Moreover, because working lives are extended, it is no longer possible to take a universalistic, generalized approach to careers (Purcell, 1999). In this chapter, I will

therefore argue that one should take an individualized approach, because the older people become, the more heterogeneous they become from their peers. Choices for career development increasingly differentiate when people become older, and hence, governments and organizations should take an individualized approach to ensure sustainable careers, especially when people become older. It is therefore, also important that organizations adapt their policies and practices towards this increased need for individualization.

Organizations are increasingly aware that the employee population is changing, and that strategies to employ, motivate, and retain workers have to be adapted. It is no longer sufficient for organizations to only focus on employing younger workers (e.g., through designing traineeships for graduates), because there are fewer younger workers in the labor market, which is already particular the case in certain sectors, such as health care (Polat, Bal, and Jansen, 2012). Hence, organizations increasingly will have to rely on older workers, and try to retain older workers, and motivate them to stay longer in the workforce. Similarly, governments across Europe are also focused on maintaining older workers in the labor market (European Commission, 2010).

Despite this heightened awareness of the need to retain older workers, there are only very few organizations who successfully achieve aims to retain older workers. However, it is not only important to keep them within the workforce, but also to ensure that older workers remain motivated, productive, and healthy contributors to organizational performance (Wang and Shultz, 2010). Thus, employment becomes sustainable only when workers are able and willing to work for sustained periods of time, and do not drop out prematurely from the workforce. To do so, I argue that organizations should implement an individualized approach to treating workers (Bal, De

Jong, Jansen and Bakker, 2012). Due to the increased heterogeneity among older workers, implying that older workers have more heterogeneous needs in their work than younger workers, it is pivotal that older workers are treated as individuals rather than as a homogeneous group (Dannefer, 2003). Hence, especially individual arrangements targeting flexibility in the employment relationship will benefit older workers, and keep them motivated in their work, productive, and healthy.

The current chapter will accordingly explore the opportunities and challenges of an individualized approach to treating older workers in organizations. I will first describe the theoretical basis for the increased individual heterogeneity among older people. Furthermore, I will discuss the rise of individualized arrangements in the employment relationship, after which I will go into the theoretical basis for individualized treatment of older workers in organizations. I will conclude the chapter by discussing how managers can negotiate and manage individualized agreements with (older) workers.

The Concept of Heterogeneity in Careers of Older Workers

The majority of research that has focused on work motivation of older workers has largely ignored the notion of increased heterogeneity with age. Traditionally, research on aging at work has focused on age-related differences in various work attitudes and behaviors. For instance, the classic review of Rhodes (1983) investigated the relation between age and job attitudes and behavior, including satisfaction, commitment and performance. Moreover, more recent meta-analytic work has looked at similar relationships of age with various types of job performance (Ng and Feldman, 2008), work motives (Kooij, De Lange, Jansen, Kanfer and Dijkers, 2011), and

turnover (Ng and Feldman, 2009). The basic assumption of most of these studies is that the aging process is associated with changes in the attitudes people hold of their jobs, and their behavior at work. Similarly, recent research has increasingly focused on the moderating role of age (e.g., Bal, De Lange, Jansen and Van der Velde, 2008; Bal, De Lange, Zacher and Van der Heijden, 2013a; Zaniboni, Truxillo and Fraccaroli, 2013), assuming that older workers, in comparison with younger workers, respond differently to organizational treatment. For instance, Bal and colleagues (2008) found that younger workers in general tend to react more strongly to psychological contract breaches than older workers. All of these studies show that age may be directly related to work outcomes, but also indirectly, influencing the effects of job experiences (e.g., contract breach and job demands) on work outcomes.

Hence, the foundation of this line of research is in *intergroup* differences; younger workers as a group differ in their attitudes, work behaviors, and reactions to job experiences from older workers as a group of employees within the organization. However, previous research has traditionally shown mixed and inconsistent results regarding effects of age (Ng and Feldman, 2008; Rhodes, 1983), and usually (very) small effect sizes, which may be limited in relevance for theory and practice. One explanation of this lack of empirical relevance of age has been addressed by Kooij and colleagues (2008), who proposed that the aging process constitutes a combination of various age-related changes that people experience over time. Thus, age serves as an umbrella-variable in which various changes are captured that take place when people become older. For instance, while one 50-year old employee may be very healthy and consequently motivated to work, another 50-year old employee might be burnt out, and not motivated to work. It is thus important to distinguish within groups of older

workers. Consequently, in addition to a *between-groups* approach, looking at differences between younger and older workers, it is necessary to take a *within-group* approach, and thus looking at differences within groups of employees in the same age range.

Therefore, I propose that future research should primarily focus on the heterogeneity within groups of workers of the same age (Bal et al. 2012; Nelson and Dannefer, 1992). Moreover, ample research has shown that heterogeneity increases with age, and that this process manifests itself in various domains (Light, Grigsby, and Bligh, 1996). To understand how older workers' motivation, productivity and health can be maintained at higher age, it is crucial to understand the increased heterogeneity among older workers, and hence, the increased need to adopt an individualized approach to motivate older workers.

Nelson and Dannefer (1992) were among the first to point towards variability within age, and they found that increasing variability with age was present across physical, personality, and cognitive domains. Follow-up research showed that even at the phenotypical level (thus the biochemical characteristics of a person), people have increased heterogeneity in genetic expression with age (Light et al. 1996; Somel, Khaitovich, Bahn, Pääbo, and Lachmann, 2006). Moreover, even though it has been argued that personality develops primarily until young adulthood, research shows that personality changes across adulthood, and that with increasing age, personality differences within age groups increase as well (Caspi, Roberts, and Shiner, 2005; Van Lieshout, 2000, 2006). Thus, people become more heterogeneous in personality when they become older, while younger people are more similar in terms of personality traits.

Furthermore, more recent research also showed that emotional experiences tend to become more complex and heterogeneous when people age; in an experimental study by Charles (2005) older people showed more complex emotions than younger people after viewing a film clip containing injustices (see also Kellough and Knight, 2012). Finally, reaction times, an important indicator of cognitive aging, also become more variable when people become older (Deary and Der, 2005). In sum, there is ample evidence to state that older people are more different from each other than younger people are different from other younger people.

There are a number of theoretical explanations for this increased heterogeneity. First, individuals select or are selected by specific environments which are similar to or suit their personality, through which their personality is reinforced over time. Hence, differences in personality among people tend to become greater over time (Light et al. 1996). Another explanation has been offered by sociologists, who have argued that social status characteristics, such as gender, social class, and race, determine the social system in which an individual operates (Light et al. 1996). An individual is born within a social system, or a social environment, which predicts the extent to which personality is formed. Thus, the environment influences how personality is shaped over time, and the older people become, the more their personalities are further shaped by the characteristics of the social class they live in. Because classes differ among each other, such as socio-economic status, the influence of class on people's personalities will differ as well, giving rise to increasing differences over the life course.

A final explanation, as outlined shortly above, is genetic (Light et al. 1996; Somel et al. 2006). Genes do not only influence how personality is shaped over the course of one's life (e.g., a genetic disposition to be introvert is amplified over the life

course), but also how the environment shapes the personality of a child (e.g., children with high intellectual skills are more likely to be raised by parents who are intellectual themselves). Thus, the expression of genotypes into behavior is strengthened such that differences in phenotypes will increase. Consequently, and in line with findings that phenotypes become more diverse over the life course (Somel et al. 2006), there is evidence for increased phenotypic variability among people over the life course.

Increased Heterogeneity in the Workplace

There is very little research available in career studies based on this notion of increased heterogeneity among older workers. The lifespan model of Kooij et al. (2008) includes age as a variable that captures various changes throughout life, and assumes that because people experience these changes in an idiosyncratic manner, the older people become, the more these underlying age-related changes will determine work motivation and not just chronological age. Kooij et al. (2008) did not explicitly assume that older workers are more heterogeneous, but only stated that individuals with the same chronological age may differ substantially in other operationalizations of age.

However, there is some evidence for the notion of increased heterogeneity among older workers. A study of Bal and Kooij (2011) showed that among younger workers, work centrality (i.e., how central work is in the lives of people) was not a predictor of their psychological contract with their organization, while among older workers, the higher their work centrality, the more they were focused on a relational, long-term psychological contract with their organization. Their findings indicate that while younger workers were looking for relational contracts regardless of how central work was in their lives, for older workers the level of work centrality determined their relationship with and investment in the organization. This provides indirect evidence for

the notion that among younger workers employment arrangements have a direct positive effect, while for older workers other aspects in life are important in ascertaining how they respond to employment arrangements. Furthermore, the study of Bal and colleagues (2012) explicitly integrated the heterogeneity perspective in their study on the effects of idiosyncratic deals (I-deals for short) on motivation to continue working. They found that I-deals indeed related to higher motivation to continue working after retirement, based on the idea that to be able to continue working, I-deals may help older workers to realize their needs.

In sum, although there is still a need for more research into greater heterogeneity among older workers, there is preliminary evidence that this perspective may contribute to a further understanding of the needs, attitudes, and behaviors of older workers. In addition, organizations have already started with implementing individualized career patterns and work arrangements for older workers (Benko and Weisberg, 2007; Pitt-Catsouphes and Matz-Costa, 2008). Based on the idea that older workers become more and more heterogeneous, it is no longer sufficient to assume that a single approach to maintaining older workers' motivation, health and productivity is enough.

However, although younger workers are more alike than older workers (Bal and Kooij, 2011), I observe that Human Resource Management (HRM) traditionally focuses more on the needs and wishes of younger workers than of older workers (Bal, Kooij, and De Jong, 2013b). For instance, traineeships have traditionally been designed for younger workers. Therefore, there is no full integration of the knowledge about the heterogeneous aging process that has been generated in gerontology with the use of this knowledge in Organizational Behavior and HRM. I therefore propose that an individualized approach to older workers is necessary to be able to maintain older

workers' motivation, productivity and health, while younger workers may still benefit from standardized work arrangements. Hence, individualized agreements about work arrangements, such as I-deals, are crucial for older workers. I-deals are defined as idiosyncratically negotiated agreements between an individual employee and the organization (Rousseau, Ho, and Greenberg, 2006). In the next section, I will elaborate on the utility of I-deals in organizations as well as for older workers.

Individualization for Older Workers

The concept of individualization has gained increasing popularity in career research and in particular the notion on individually negotiated career trajectories (Benko and Weisberg, 2007; Rousseau, 2005). Individualization is a societal trend that more or less started in the late 1800s with the rise of psychology as a science of the individual human being, and poetry aimed at the individual experience, as can be noticed in for instance the work of Henry David Thoreau. In the early 2000s, career research, and HRM and OB research more generally, started to include a more individualized perspective on the employment relationship. Denise Rousseau for instance, in her book on idiosyncratic deals (2005), focused specifically on how employees individually negotiate employment arrangements with their employers. The work of Wrzesniewski and Dutton (2001) on job crafting has been developed from the same principle of individualization: societies become more and more focused on the individual as center of the universe instead of the collective, and this is subsequently translated into how scientific research approaches careers. The career is a highly individualized experience, which differs for each human being. The disappearance of

labor unions as a means to bring equality among workers has also made employees more dependent upon themselves.

Hence, individualization will increasingly become a paradox in career research. This paradox can be described as the need for people to be treated as an individual human being versus the lost protection of the group through an individualized approach (Bal, 2014; Rousseau, 2012). Individualization has led to a greater focus on the individual needs of employees in the workplace, and through individualized employment arrangements, employees are better able to align work demands with non-work demands (Baltes, Briggs, Huff, Wright and Neuman, 1999). Individualization may also give way for treatment of the employee with respect for dignity of the employee. In this way individualization becomes the means to promote a more dignified treatment of employees in organizations, with respect for individual wishes, needs, and capabilities of the employee.

However, at the same time individualization, and in particular in its dominant neoliberal form, has led to a greater focus on self-reliance, and thus people can no longer trust institutions to take care for their well-being. Governments using the neoliberal doctrine put a greater focus on privatization of social welfare as well as trust in the rule of the invisible hand of the market (Peck, Theodore and Brenner, 2009). People become responsible for their own welfare and well-being, and a lack of economic success (e.g., unemployment) of an individual is increasingly attributed to the individual's own failure, ruling out the possibility of bad luck, or simply the absence of capabilities to build a career. With governments and organizations retreating from the public sphere, and labor unions becoming obsolete rapidly while representing only a

specific group of older employees, people do not have the social safety net that protects them for the consequences of misfortunes in their lives.

Hence, individualization provides the more proactive people the opportunity to negotiate favorable work arrangements, but at the same time, the less proactive people become subject to employer wishes, and do not have the protection of any institutional body. The trend of individualization thus creates a dividing line between winners and losers, in line with the principles of neoliberal capitalism, which still is the dominant economic-political ideology in Western countries (Peck et al. 2009). Hence, this division between the small group of winners (and primarily big companies) and the increasing group of losers who spend their lives in daily struggles to make enough money to live, is increasing as a consequence of the combination between individualization and a dominant neoliberal ideology governing society.

A clear indication of this trend is the often found positive relation between quality of relation between employee and manager and I-deals: employees with better relationships get more I-deals (Rosen, Slater, Chang and Johnson, 2013). Hence, individualized treatment becomes subject to corruption, cronyism, and favoritism, and only those who are proactive get what they want, leaving the less proactive as victims of a self-reliant society. In sum, individualization constitutes a process that can both facilitate and hinder employment opportunities for older workers, because increased heterogeneity among older workers can be facilitated through an individualized approach to work, but at the same time put them at a higher risk of becoming wholly self-reliant for their careers and employment. The question thus is how individual deals can be institutionalized or used by organizations, such that I-deals are implemented in a way that benefits all parties. To do so, I return to a more theoretical HRM-perspective.

A HRM-Perspective on Individualization

Delery and Doty (1996), in their paper on modes of theorizing in strategic HRM, explained that both a universalistic approach to HRM as well as a contingency approach to HRM may be necessary when designing human resource systems in organizations. A universalistic approach to HRM, which assumes that HR practices universally benefit employees, has become the primary mode of theorizing in HR research over time. For instance, a number of articles has focused on the main effects of ‘high performance’ HR practices on commitment and performance (Gardner, Wright and Moynihan, 2011; Kehoe and Wright, 2013). However, the contingency approach to HRM, which assumes that to be effective, HR practices have to be in line with other aspects of the organization, has received much less attention (Bal et al. 2013b; Boxall and Macky, 2009). This is strange, because with increasing diversity of workplaces, it seems imperative that organizations should take a diversified approach to motivate their workforce through HR practices. Especially with the increasing number of older workers in organizations, it is important that organizations are aware that the universalistic approach towards HRM is no longer sufficient, and should be replaced by a contingency approach (Bal et al. 2013b). This contingency approach dictates that organizations, when they design their strategic HR policies and practices, should take into account the diversity of the workforce, and accordingly the diverse work-related needs of the workers in the organization (Delery and Doty, 1996).

With the increasing number of older workers in the workforce, and hence, the increasing heterogeneity in the needs and motivations of employees in organizations, organizations should therefore take a more individualized approach to motivating

(older) workers. Some organizations have already started this, and inducements such as bonuses, training programs, and individualized work schedules have been offered to employees, such that they remain with the company and increase their efforts to benefit the organization (Hornung, Rousseau, and Glaser, 2008).

These individualized arrangements or I-deals are not arrangements which are available to every employee, but they can be part of the contingent HR-strategy of an organization, which focuses on individualization of work arrangements for employees (Bal et al. 2012; Bal and Dorenbosch, 2013; Rousseau, 2005). According to Rousseau (2005), I-deals are heterogeneous among employees, such that employees may have negotiated different I-deals with the same employer. When an individual arrangement becomes available to every employee in the organization, the arrangement becomes an HR practice, and is no longer an I-deal (Rousseau, 2005). Hence, I-deals arise when employees negotiate work arrangements that deviate from organizational HR practices. I-deals should benefit both employee and employer; the employer may offer I-deals to attract or retain employees, and the employees' contract terms become more aligned towards personal preferences (Rousseau, Hornung, and Kim, 2009).

Finally, I-deals vary in scope, such that some employees might have negotiated a single specific agreement with the employer (e.g., flexible working times to care for older parents), whereas other employees may have a completely individually negotiated set of employment arrangements. I-deals are not only idiosyncratic deals, but also *ideal* in the sense of benefiting both parties, since employees can fulfill their needs in their work, while organizations benefit through greater employee motivation and retention of valuable employees (Rousseau, 2005).

I-deals can be negotiated before employment, such as during the recruitment process (i.e., ex-ante I-deals), but they can also be negotiated during employment (i.e., ex-post I-deals). Ex-ante I-deals will be primarily negotiated by (future) employees because of their valuable skills that the company wants to obtain, while ex-post I-deals will be negotiated when employees have skills that the company wants to retain, or as a way of rewarding loyal employees.

Research on I-deals has shown that in general, employees tend to negotiate four different types of I-deals: task and work responsibilities, schedule flexibility, location flexibility, and financial incentives (Rosen et al. 2013). Task and work responsibilities I-deals refer to those arrangements employees negotiate concerning the tasks they conduct at work, as well as the responsibilities the employee has at work. Schedule flexibility concerns the working hours of the employee, and can be negotiated in relation to the number of hours worked during the week, or the time the employees will be at work. Location flexibility refers to the place where the work is conducted. For instance, employees can negotiate that they conduct part of their work from home or another location. Finally, financial I-deals concern the individual deals with respect to salary and received bonuses.

Theoretically, the effects of I-deals on employee outcomes have been explained using social exchange theory, and in particular the norm of reciprocity (Blau, 1964; Gouldner, 1960). According to social exchange theory, when an employee and an employer commit to each other in an exchange relationship, reciprocal obligations between the two parties drive behaviors of the two parties. I-deals serve as a basis for reciprocity between the employee and the organization, strengthening the employment relationship through the mutual obligations that have been agreed upon by the two

parties. More specifically, the organization negotiates with the employee a certain arrangement, and in return, the employee becomes more committed, stays with the organization, and may perform at a higher level.

Moreover, the effects of I-deals can also be explained using work adjustment theory (Baltes et al. 1999), which postulates that through a customized set of work arrangements, employees achieve greater correspondence between work and private life, and hence avoid work-family conflict and retain a healthy work-life balance (Hornung et al. 2008). Because I-deals may create a fit between the needs and abilities of the employee and the demands of the job, employees are happier and better able to carry out their work. Previous research has indeed shown that employees who negotiate I-deals become more attached to the organization (Hornung et al. 2008), have a more favorable relationship with the organization (Rousseau et al. 2009) and contribute to a higher degree (Anand, Vidyarthi, Liden and Rousseau, 2010; Hornung et al. 2008). For instance, a study of Hornung and colleagues (2008) showed that flexibility I-deals reduced work-family conflict, while developmental I-deals enhanced commitment, performance expectations, and working overtime. Finally, recent research also showed that I-deals are important for the motivation to continue working beyond retirement (Bal et al. 2012). I-deals can thus enhance sustainable careers, because through individualization of work arrangements, people can be motivated both in the short-term and in the long run.

Older Workers and I-deals

We propose that I-deals will be particularly important for older workers. Because younger workers are typically focused on building their career, they are likely

to look for resources that enhance their wishes for career-building, such as high pay, fringe benefits including mobile phones and laptops, and developmental opportunities (Bal and Kooij, 2011). Extrinsic resources, such as salary and promotion, are indicators for younger workers that they are valued by their organization, while those resources become less important when people grow older (Kooij et al. 2011). Because older workers become more different from other older workers, their needs for the resources that they obtain from their organization, also become more heterogeneous. Hence, the opportunity to negotiate I-deals with their organization will be more important for older workers than it is for younger workers.

Consequently, I-deals are the primary basis for designing strategic HR decisions among organizations that employ older workers. While there is very little direct evidence for the particular relevance of I-deals for older workers, there are a number of studies that do support this notion. In a study of Pitt-Catsoupes and Matz-Costa (2008), among almost 200,000 employees in the US, it was found that the effect of flexibility on work engagement was stronger for older workers than for younger workers. In other words, they ascertained that flexibility in work schedules was more strongly related to higher work engagement among older workers, while younger workers did not profit that much from flexibility in their work schedules.

Another study of Bal and colleagues (2012) found that I-deals were related to motivation to continue working after retirement. It was expected that I-deals would create a stronger fit between the abilities of older workers and what they want from work, which consequently would enhance their motivation to continue working. The study indeed revealed that this was the case; among a sample of more than 1,000 employees in a Dutch health care organization, I-deals positively related to motivation

to continue working beyond retirement. Finally, in another study among almost 5,000 Dutch organizations, Bal and Dorenbosch (2013) found that availability and use of I-deals were related to higher organizational performance as well as lower sickness absence and employee turnover. Moreover, it was found that especially flexibility I-deals reduced sickness absence in organizations with many older workers. These studies show that the possibility of negotiating flexibility at work is important for older workers to be able to conduct their work. Moreover, I-deal negotiation can facilitate older workers to obtain a more individualized relation to their work; for instance in the prolonged careers of 50 years, people can negotiate career switches and job changes through I-deals. However, we also expect that these potential effects of I-deals for older workers are dependent upon a number of factors. More specifically, the extent to which I-deals will benefit older workers is likely to depend upon the type of I-deal negotiated, psychological characteristics of the older worker, and the context in which I-deals are negotiated. In the following section, I will elaborate on these issues.

The Role of Type of I-deals, and Psychological and Contextual Factors

Despite accumulating evidence that I-deals contribute to employee and organizational performance, and that I-deals may enhance commitment, motivation, and retention, and reduce absence (Hornung, Rousseau, Weigl, Muller and Glaser, 2013), it is not self-evident that effects of I-deals will always occur. Researchers normally do not find consistent effects of I-deals on work outcomes, as some I-deals may directly relate to outcomes, while others may only be related to outcomes under certain conditions (Hornung et al. 2008; Rousseau et al. 2009; Van der Meij and Bal, 2013). For instance, development I-deals may sometimes even have negative effects because development

means investment in work, and hence less time for family and non-work concerns (Bal and Dorenbosch, 2013; Hornung et al. 2008). Moreover, researchers typically do find few direct effects of financial I-deals on work outcomes (Rosen et al. 2013; Van der Meij and Bal, 2013). Thus, the question is also under which conditions types of I-deals are most beneficial for older workers. We argue that the strength of the effects of I-deals on work outcomes for older workers depends upon the type of I-deal, the team or department around the older worker, and the psychological processes underlying the utility of I-deals for older workers.

First, there is some recent evidence for different effects for younger and older workers of different types of I-deals on work outcomes. As argued earlier, younger workers have more similar needs in their work, such as salary, fringe benefits, and career development (Bal and Kooij, 2011; Kooij et al. 2011). Hence, provision of I-deals is less important for them, and if younger workers are able to negotiate I-deals, they tend to value financial and developmental I-deals, through which they contribute to and stay with the organization (Bal and Dorenbosch, 2013). However, due to the aging process, older workers experience gradual losses of physical abilities and gradually decreasing fluid intelligence, though progressing in different speed (Baltes, 1997). Hence, and due to their more heterogeneous needs, older workers tend to value flexibility in their work more than younger workers. Subsequently, flexibility I-deals are more highly valued by older workers, because flexibility allows older workers to negotiate an individualized relation to work, and to obtain a better balance between what they find important in work, and what they bring into their work, such as their abilities, experience, and knowledge.

In line with this, Bal and colleagues (2012) found that flexibility I-deals were the strongest predictor of motivation to continue working after retirement, and hence can be regarded as the most important I-deal for older workers. However, research on I-deals has so far focused on a limited number of I-deal types (task and development, schedule flexibility, location flexibility, and financial I-deals; Rosen et al. 2013). Thus, it is important for further research that more specific deals are investigated that older workers tend to negotiate, such as reduced workload, with their employer in order to be able to conduct their work for a longer time.

Next to the I-deal type, it is also important to take into account the context in which I-deals are negotiated. For instance, there are three parties involved in negotiation of I-deals: the employee, the organization, and coworkers (Greenberg, Roberge, Ho and Rousseau, 2004; Lai; Rousseau, and Chang, 2009; Rousseau, 2005). This raises the issue of fairness: when an employee is able to negotiate an I-deal with the organization about for instance flexible working schedules, coworkers might react negatively when they perceive the I-deal as unfair. Therefore, acceptance of coworkers towards I-deals is an important precondition for the successful implementation of I-deals in the workplace (Lai et al. 2009). When older workers are granted special arrangements because of their loyalty towards the organization, younger workers may see this as favoritism, and may attribute this to undeserved entitlements of older workers which they cannot obtain themselves.

Based on this notion, Bal and colleagues (2012) indeed found that development I-deals only contributed to higher motivation to continue working beyond retirement when there was a supportive climate for older workers in the unit. When a climate was prevalent where older workers were stimulated to withdraw from their work roles when

they were approaching their retirement, development I-deals were no longer predicting motivation to continue working. To be able to benefit from I-deals and transfer it to the workplace, older workers need the support of their managers, coworkers, and to some extent, society. The study showed that when managers and coworkers were supportive of older workers developing themselves, development I-deals indeed related positively to continue working (Bal et al. 2012).

Finally, it is not only the type of I-deal and the environment that predicts the effectiveness of I-deal usage for older workers, but also, to a great extent, the psychological processes that take place within the older worker. As outlined above, people age differently, and the older people become, the more they differentiate in terms of their personalities, needs, attitudes, and behaviors. Hence, ‘the older worker’ does not exist, and the way older workers perceive their work in their lives is important in ascertaining the investment of older workers in their work and organization. While some older workers mentally retire already long before they can retire, and look forward to the date they can officially retire from work, others may be more successful in the strategies that they have employed to retain work motivation throughout the lifespan (Kooij et al. 2008).

The model of successful aging by Baltes (1997) indeed describes successful aging as being able to cope with age-related losses, such as declining physical capabilities and less fluid intelligence, by employing SOC-strategies (Selection, Optimization, and Compensation). SOC-strategies include Selecting a narrower range of goals one will pursue at work, Optimizing the tasks one still carries out at work, while Compensation indicates employing alternative means when one is no longer able to conduct specific tasks to carry out the job (Bal et al. 2013b). Research has shown that

when older workers use SOC-strategies, they are more engaged, committed and show a higher focus on opportunities at work (Bal et al. 2013b; Zacher and Frese, 2011).

Hence, the extent to which I-deals will be beneficial for older workers is also determined by the extent to which older workers engage in strategies that enable successful aging at work, such as SOC-strategies. People who focus on SOC-strategies as a way to cope with age-related losses, will be particularly responsive to individualized agreements that help shape their job towards their capabilities and needs.

Discussion

This chapter analyzed the need for I-deals for older workers. It set out to explain that the older people become, the more heterogeneous they become from their peers, due to increased differences in personalities, needs, and work-related attitudes and behaviors as people age. Hence, while a traditional approach to younger workers may be sufficient in organizations to attract and motivate these younger workers, for older workers this is no longer enough. Consequently, while younger workers may be motivated by economic rewards, developmental opportunities, and possibilities to build their career (Bal and Kooij, 2011; Freund, 2006), older workers are motivated by different things at work, and become more differentiated.

Thus, an individualized approach to motivating older workers is crucial, and the use of I-deals in organizations may enable older workers to make individualized agreements with their organizations about how they will fill the time until their retirement. I-deals about accommodated work arrangements can be made, such as reduced work hours, lower job demands, and exemption from night shifts. Moreover, I-deals about job content can also be negotiated, such as I-deals on special projects,

coaching roles, and job shifts. So I-deals can be used to facilitate flexibility in how work is perceived, conducted and developed. Through these individualized agreements, older workers can maintain their health, work motivation, and productivity (Bal and Dorenbosch, 2013; Kooij et al. 2008), and thus remain active until their (official) retirement age.

However, we also explained that the potential engaging effects of I-deals are also dependent upon the type of I-deal, the extent to which the environment around the older worker is supportive of the transfer of a negotiated I-deal to the workplace, and the psychological strategies that older workers follow to conquer age-related losses, such as selecting a narrower range of goals that older workers want to achieve in work (Zacher and Frese, 2011). Thus, I-deals do not operate within a social vacuum, but are influenced by many factors, including the direct environment (e.g., coworkers), organizational structures (e.g., size of the organization), and psychological factors of older workers themselves. Consequently, research on the benefits of I-deals of older workers should take a contextualized approach, in which the situation of the older worker within the team, organization, and country should be taken into account.

Finally, as outlined above, individualization constitutes a paradoxical trend; on the one hand, it enables people to be treated individually, and the opportunity for the promotion of individual rights and dignity in the workplace, while at the same time, individualization endangers vulnerable employees because of the increasing need for self-reliance, and the need for people to proactively shape their own careers. Thus, promotion of human dignity in the workplace may be hindered when a growing number of employees have marginalized jobs, because protection has disappeared in an individualized society. In all, I-deals can be an important strategy for workers to create

sustainable employability, while at the same time it is essential to promote human dignity through individualization.

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